

February 22, 2013

To: Executive Board

Subject: **Sole Source Contract Award – Removal and Reinstallation of SMART*Bus* Equipment**

Recommendation

Authorize the Executive Director to negotiate final contract terms and conditions and award a sole-source contract to Xerox in the amount of \$241,307.20 to remove 64 sets of vehicle SMART*Bus* equipment from retired coaches and install them on 64 newly procured coaches.

Background

Foothill Transit's vehicle SMART*Bus* system was designed, manufactured, and installed by Xerox and is essential to providing Foothill Transit's mission to provide quality and efficient on-street service. The system, currently installed on every Foothill Transit bus, uses global positioning satellite (GPS) technology to capture and provide real time operational data, including video surveillance, ridership statistics, and on-time performance. Because the SMART*Bus* equipment often outlives the service life of a bus, when a bus is retired and replaced, the equipment is removed and reinstalled on another vehicle.

In January 2012, the Foothill Transit Executive Board authorized the exercise of an option order on Agreement No. 09-001 with North American Bus Industries (NABI) for the purchase of 34 coaches, set to be delivered beginning October 2013. The relatively small number of American bus manufacturers results in very long lead times between contract award and delivery as these manufacturers must schedule time on the production line for transit agencies across the country. In addition, as each transit property has its own unique specification for its coaches the industry standard for production is 18 months.

In December 2012, the Foothill Transit Executive Board authorized the Executive Director to negotiate final contract terms and conditions and enter into Agreement No. 12-040 with NABI for the purchase of 30 42-foot coaches. These 64 buses will be manufactured simultaneously and will need to have Foothill Transit's SMART*Bus* equipment installed prior to in-service deployment.

Analysis

In order to keep the original equipment warranty in full effect, Foothill Transit must contract with Xerox to perform removal and reinstallation services to equip these 64 new Foothill Transit buses with this technology. The system's custom parts are

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proprietary to Xerox and as such, Xerox is the only company capable of performing the required scope of work.

The 64 buses procured under the two contracts outlined above will replace Foothill Transit's remaining diesel buses and will begin to replace our first series of compressed natural gas (CNG) buses placed into service in 2002. As these buses are retired, Xerox will inspect and remove the existing SMARTBus equipment. This equipment will then be reinstalled on the new vehicles at Foothill Transit's Pomona and Arcadia Operations and Maintenance Facilities. Equipment removal and reinstallation will be scheduled in intervals that coincide with bus delivery.

This contract is similar to Foothill Transit Agreement No. 12-020 with Xerox for the same removal and reinstallation services on Foothill Transit's last order of 14 coaches. Because there are significantly more buses in this order, Xerox has offered a per bus rate that is more than half the cost of the previous contract.

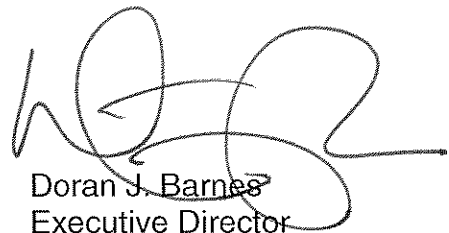
Budget Impact

The cost to perform these services is \$253,119.43 and is part of the Bus Replacement capital program, included in Foothill Transit's approved FY 2013 Business Plan.

Sincerely,



Lauren Cochran Festner
Director of Maintenance and Vehicle Technology



Doran J. Barnes
Executive Director